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Attorneys for Nominal Defendant
BROCADE COMMUNICATIONS SYSTEMS, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

MARY BARBOUR, etc.,

Plaintiff,

v.

GREGORY REYES, *et al.*,

Defendants.

Case No. C 08-02029 CRB

**[PROPOSED] ORDER SETTING SCHEDULE
FOR SPECIAL LITIGATION COMMITTEE**

WHEREAS, on June 12, 2008, the Court held a case-management conference in the above-captioned action to consider the status of the case and the report presented by counsel for the Special Litigation Committee (the "SLC") of the Board of Directors of nominal defendant Brocade Communications Systems, Inc. ("Brocade"), which has been granted plenary authority to handle this shareholder derivative action and other related derivative actions on behalf of Brocade; and

WHEREAS the Court heard argument from counsel for the SLC, on behalf of Brocade, and from plaintiff's counsel concerning how this action should proceed over the next few months; and

WHEREAS the SLC's counsel, on behalf of Brocade, informed the Court that (i) the SLC

1 has adopted a Resolution resolving that Brocade should assert claims against 11 prospective
2 defendants for matters relating to Brocade's historical stock-option practices and its accounting
3 for those stock options; (ii) the SLC wished to give those prospective defendants the opportunity
4 to make a written submission by June 27, 2008 explaining why they believe the SLC, on behalf of
5 Brocade, should not take action against them; (iii) the SLC will finalize its Resolution by July 11,
6 2008, after receiving any submissions from the prospective defendants; (iv) the SLC intends to
7 file an amended Complaint in the related consolidated derivative action captioned *In re Brocade*
8 *Communications Systems, Inc. Derivative Litigation*, No. C 05-02233 CRB, and to move to
9 dismiss or stay the above-captioned action for failure to make a pre-suit demand or to show why a
10 demand would have been futile, and (v) the SLC intends to meet with all derivative plaintiffs'
11 counsel in the upcoming weeks to discuss plaintiffs' counsel's role (if any) in the further progress
12 of this action and the other derivative actions; and

13 WHEREAS the Court has been informed that, on June 13, 2008, the SLC's counsel sent
14 notices to the prospective defendants informing them that the SLC has decided to assert claims
15 against them on behalf of Brocade and that the prospective defendants could make any written
16 submissions to the SLC by June 27, 2008;

17 NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

18 1. The SLC, on behalf of Brocade, shall finalize its conclusions about what claims (if
19 any) to pursue at the present time on behalf of Brocade after it receives and examines the
20 submissions from the prospective defendants due on June 27, 2008.

21 2. On or before August 1, 2008, the SLC shall file any amended Complaint it wishes
22 to present to the Court, as well as any motions to dismiss or stay the above-captioned action.

23 3. All discovery in this action is stayed until further notice.
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SO ORDERED this ____ day of June, 2008.

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